BRITISH COLUMBIA

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highlights

a weekly digest of recently released British Columbia statistics

Prices

- **Consumer prices in British Columbia were only marginally higher (+0.2%) in January than in the same month last year.** BC had the lowest inflation rate of any province. However, all four Atlantic provinces experienced price deflation, with average prices declining at rates ranging from -0.5% in Newfoundland and Nova Scotia to -0.7% in PEI. Canada's inflation rate was 0.6% in January. The prairie provinces of Saskatchewan (+1.9%), Alberta (+1.5%) and Manitoba (+1.5%) were the only regions where the year-over-year change in the overall price level was above one percent. Consumer prices in Victoria edged up 0.1% in January, compared to the same month last year. In Vancouver, they were 0.3% higher than a year earlier.

  Source: Statistics Canada

- **In BC, falling shelter costs (-0.9%) continued to be the main reason for the province's low inflation rate.** British Columbians also paid 1.6% less, on average, for transportation than they had a year earlier. Lower gas prices (-12.4%), combined with a freeze in insurance rates, have made it cheaper to operate a vehicle in the province during the last six months. Declining shelter and transportation costs were also a factor in the deflation experienced in Atlantic Canada last month.

  British Columbians faced lower-than-average price increases for food (+0.5%, compared to 1.3% nationally) and alcoholic beverages and tobacco (+1.3%, compared to +3.5%). However, prices for household operations (+2.0%, compared to -0.6%), clothing and footwear (+1.2%, compared to +0.8%), and health and personal care (+2.6%, compared to +1.9%) increased more than in the rest of the country.

  Source: Statistics Canada

The Economy

- **BC's exports rose for the fifth straight month in December, increasing 4.1% over the same month of 1997.** Forest product exports, which were up 10.8%, were responsible for most of the growth. In the rest of Canada, exports rose 3.9%. Ontario (+13.4%) continued to outperform other provinces, with exports increasing at double-digit rates for the fifth straight month. Exports fell in five provinces. Newfoundland (-30.9%) recorded the largest decline. *Source: Statistics Canada*

- **Exports from British Columbia totalled $25.8 billion last year, after reaching $26.8 billion in 1997.** BC's exports were down 3.5% during the year, marking the second time since 1995 that they have fallen. The primary reason for the decline last year was a drop in forest product exports (-9.2%). BC's forest sector has been buffeted by external events such as the Asian economic crisis, which has resulted in less demand for BC wood products used in new housing construction. In addition, lower softwood lumber prices (export prices for softwood lumber fell 12.7% last year) have reduced the value of international sales. However, this effect has been somewhat mitigated by a weak Canadian dollar, and by upward movement in the prices received by producers for some paper products such as newsprint (+8.9%).

  British Columbia was one of four provinces which saw exports fall during 1998. Hardest hit was Saskatchewan, where exports plunged 14.4% last year. Agriculture (-29.7%) and energy (-23.2%) products, which together account for just over half of that province's exports, were down significantly from 1997. Alberta, where exports dropped 9.4%, also felt the pinch in its farm (-15.1%) and energy (-15.8%) sectors. The de-

Report **September room revenues**

Did you know...

British Columbians love the government! Some of them, anyway. 620 residents of the province donated a total of $11,870,000 to Canada or a province in 1996. Nationwide, 9,960 Canadians gave gifts totalling $101,243,000 to federal or provincial governments.

cline in the value of energy product exports from the prairies last year was largely price-driven. Crude oil prices tumbled 27.4% during 1998 as world markets reacted to a glut in supply and to the Asian economic crisis. Offsetting this was the effect of the low value of the Canadian dollar, which provided a boost to exporters who sell their goods under contracts specified in US funds. Canadian exports increased 5.5% last year, led by an 11.1% advance in Ontario. Quebec (+9.6%) also put in a strong performance. *Source: Statistics Canada & BC STATS*

- **BC manufacturers' shipments increased 2.6% (seasonally adjusted) between November and December.** Producers of non-durable goods (such as food, paper and clothing) shipped 3.2% more in December than in the previous month, while durables manufacturers increased their shipments 2.1%. Although wood (+0.2%) manufacturers dominate the durables sector (accounting for about half of its shipments), the improvement in December came from industries producing more highly processed materials: machinery and equipment (+24.0%), electrical and electronic products (+14.7%), and transportation equipment (+2.8%). Canadian shipments rose 1.4%, with Newfoundland (+7.4%) posting the strongest increase. *Source: Statistics Canada*

- **The value of BC manufacturing shipments ended the year down 2.8% from the 1997 total as shipments fell or were flat in all three of the province's major manufacturing industries.** The largest industry–wood manufacturing–posted the largest annual decline (-10.9%). In the paper industry, shipments rose marginally (+0.4%), marking the first improvement since 1995. Shipments by food processors fell (-5.6%) for the second consecutive year in 1998. The bright spots in manufacturing were the transportation equipment (+27.8%), furniture and fixtures (+14.1%), electrical and electronic equipment (+11.4%) and miscellaneous manufacturing (+14.2%) industries, all of which grew at double-digit rates. In the electrical and electronics industry, last year's performance continued a five-year trend of double-digit growth. Canadian shipments climbed 3.1% during 1998, as shipments rose in all but four provinces. Manitoba (+7.0%) and Newfoundland (+6.1%) posted the strongest gains. Ontario, where the manufacturing sector was affected by a labour dispute at GM during the summer, posted a more moderate gain of 4.9%. Alberta (-4.0%), Saskatchewan (-3.5%), New Brunswick (-3.4%) and BC were the only provinces where shipments fell. *Source: Statistics Canada*

- **Wholesale sales in British Columbia declined 1.8% during 1998.** Wholesalers in Alberta (-1.5%) and Nova Scotia (-0.4%) also sold less last year than they had in 1997. Quebec (+6.7%) posted the largest increase of any province. Canadian sales rose 3.6%. *Source: Statistics Canada*

Film Productions

- **171 productions–including 54 foreign productions and 28 feature films–were shot in British Columbia last year.** The total production budget for these films was $1.2 billion, of which $808 million was spent in the province. Last year, $363 million was spent in BC by Canadian film producers. Another $445 million of spending in the province was sourced to foreign film producers. *Source: BC Film Commission*

Tourism

- **Last year, 7.8 million residents of the US and other countries entered Canada through British Columbia.** This was 7.1% more than in 1997. US visitors accounted for the lion's share of the total, with 6.5 million entries, an increase of 11.1% over the previous year. Visits from other countries were down 9.4%. Asian entries dropped back 18.2%, and entries from Europe remained anemic, edging up only 0.1% after declining 3.9% in the previous year. However, the number of entries from other parts of the world was up 5.7%. *Source: Statistics Canada*

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For data originating from Statistics Canada: data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the publication name or catalogue number.

BRITISH COLUMBIA

BC STATS
Ministry of Finance and Corporate Relations

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Tourism Room Revenue ◆ September 1998

Highlights

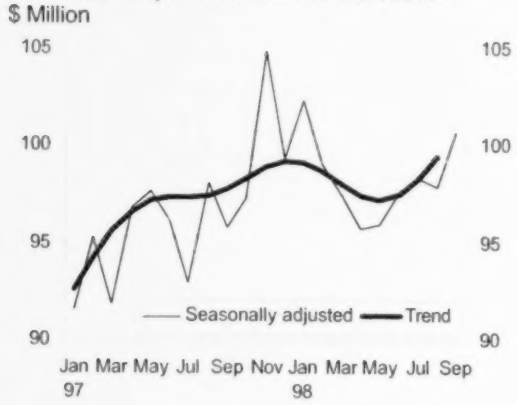
The Province

- Room revenue in BC jumped 2.6% in September, rebounding from August's decline. Seasonally adjusted revenue stood at $100.8 million, the first time it has topped $100 million since January.

In the Regions

- Kootenay led the regions with revenue increasing 6.3%, followed by Vancouver Island/Coast (+3.1%) and Mainland/Southwest (+3.0%). Thompson/Okanagan also outperformed the provincial rate (+2.6%).
- The biggest drop in revenue was seen in Northeast (-3.4%). September's decline was the second consecutive month that the region has had the largest drop in revenue, suggesting that the recent boom cycle may be waning as oilfield and construction activity in the region slows.

BC: September revenue increases



The Accommodation Types

- All accommodation categories saw revenue increase in September, led by miscellaneous properties (+5.7%) and 151-249 room hotels (+5.4%).
- Hotels with 250 or more rooms recovered somewhat from August's drop, with revenue rising 4.2% to $30.2 million. Most accommodation categories did better in September. Small hotels were the exception.

Text Table 1. Room Revenue Summary

Accommodation Type	Sep. 98 ($000)	Aug. 98 ($000)	% change
Total	100,797	98,211	2.6
Hotels	76,317	73,542	3.8
Motels	13,933	13,626	2.3
Other Acc.	11,510	11,218	2.6
Regions (Top 3)			
Kootenay	4,121	3,878	6.3
Vancouver Isl./Coast	18,481	17,929	3.1
Mainland/Southwest	57,113	55,458	3.0

All data reported in Highlights are seasonally adjusted. All comparisons are to the month previous except where noted.

Room Revenue Trends

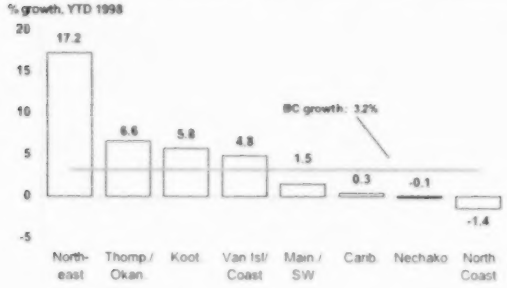
British Columbia's accommodation room revenue (unadjusted for seasonal variation) stood at $135.8 million in September. This was an advance of 5.0% over September 1997.

Third quarter revenue was 3.3% higher than in the third quarter of 1997. This was an improvement over the second quarter, when revenue was unchanged from 1997. Coupled with strong growth (+7.3%) in the first quarter, this contributed to a 3.2% increase in revenue through the first nine months of 1998, and stood at $920.1 million.

Through 3 quarters of 1998, mixed results

The province as a whole showed fairly strong growth in September, and revenue increases were relatively steady through the first 9 months of the year. However, this growth was not distributed evenly across all regions.

Revenue growth unevenly shared between regions



The strongest year-to-date growth has been in Northeast (up 17.2% to $21.1 million), Thompson/Okanagan (+6.6%), and Kootenay (+5.8). While the Northeast, fuelled by oilfield and construction activity, led the province, the other northern regions have faltered. Cariboo and Nechako were virtually unchanged from 1997, and North Coast earned 1.4% less than in the first three quarters of 1997.

In six of the year's nine months revenue growth in Vancouver Island/Coast has exceeded the provincial rate, and year-to-date revenue is up 4.8%. But both 76-149 room hotels (-1.4%) and motels (-4.3%) in the region have experienced a drop in revenue.

In the Mainland/Southwest, revenue has risen 1.5% through the first three quarters of the year, which is below the provincial rate of 3.2%. Growth in the region has been dampened by declines in motel revenue (-5.7%) and, more significantly, 250+ room hotel revenue (-3.9% to $259.7 million).

Text Table 2. BC Tourism Indicators

	Change from Sep 97	Total Sep 98
Hotel Industry		
Occupancy rate	2.0 pp.	76.2%
Average room charge	4.1%	$126.2
(Pannell Kerr Forster)		
Passenger Traffic	**(%)**	**(000s)**
Vancouver International Airport		
Total traffic	2.7	1,387
US	12.4	372
Other International	-1.9	300
Canada	0.2	715
(YVR)		
Victoria International Airport		
Total traffic	10.5	105
(Victoria Airport Authority)		
Transportation	**(%)**	**(000s)**
Coquihalla Highway		
Passenger Vehicles	12.1	251
(Ministry of Transportation & Highways)		
BC Ferries		
Vehicle Volume	2.2	737
Passenger Volume	4.0	2,004
(BC Ferries)		
Exchange Rates	**chg. from Sep 98**	**Sep Cdn $**
US $	0.056	1.521
UK Pound	0.141	2.560
Japanese Yen	0.001	0.011
Australian $	0.010	0.896
(Statistics Canada)		

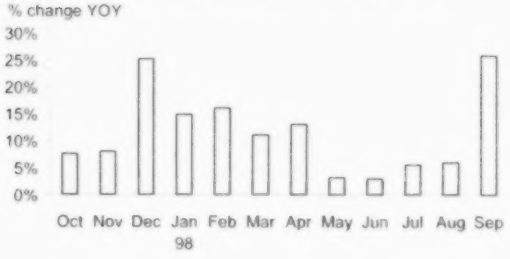
*All references in **Room Revenue Trends** are to unadjusted data. All comparisons for **BC Tourism Indicators** are for the reference month relative to the same month the previous year.*

Traveller Entries to BC

Visitor entries from USA hit growth record

- The total number of international entries to Canada via BC jumped again, advancing 16.5% to 835,729. Overnight visits by Americans showed the strongest growth, jumping 25.7% to 367,295. This was the highest monthly increase since October 1986, the last month of Expo 86, the world's fair. Growth in same-day trips by Americans was also strong, up 22.1% to 318,201.

Growth in US entries up in September



Overseas visitor entries slide

- Overseas entries slid again, falling 8.7% from September 1997 to 150,233. Entries from Europe were up slightly (+1.6%) for the first time in four months. Asian entries, however, remained weak, declining 21.5% to 66,271.
- Entries from Japan, the largest source of overseas entries, continued to decline (down 14.6% to 32,751) in September. Hong Kong was the only Asian source of visitors to show growth in September, rising 6.5%.
- UK entries dipped slightly (-0.1%) from September 1997. Because of strong performance earlier in the year, UK entries were up 7.2% through the first three quarters of 1998.

Canadian travel overseas up again

- Travel by Canadians to the United States fell for the ninth consecutive month in September, mirroring the decline of the Canadian dollar's value relative to the American dollar. Overseas travel broke a two-month downward trend in September and rose 13.5% to 57,827.

Text Table 3. Traveller Entries

	% chg from Sep 97	Sep 98 (000)
American visitors		
Total	24.0	685
Same-day	22.1	318
Overnight	25.7	365
Overseas visitors		
Total	-8.7	150
Europe	1.6	62
UK	-0.1	23
Asia	-21.5	66
Hong Kong	6.5	8
Japan	-14.6	32
Taiwan	-18.4	11
Oceania	-1.7	13
Canadian re-entries		
Total	-25.4	808
From overseas	13.5	58
From US	-27.3	750
Same-day	-32.8	508

(Statistics Canada)

Note: *All comparisons for Traveller Entries to BC are for the reference month relative to the same month the previous year*

Infoline

February 12, 1999

fax transmission information service from **BC STATS**

also on the Internet at http://www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)	Oct 1/98	% change on one year ago
BC	4,016.9	0.9
Canada	30,381.1	0.9
GDP and INCOME		
(BC - at market prices)	1997	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	109,347	3.3
GDP *($ 1992 millions)*	98,201	2.2
GDP *($ 1992 per Capita)*	24,775	0.1
Personal Disposable Income *($ 1992 per Capita)*	16,340	-2.3
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Dec	2,948	4.9
Merchandise Exports (raw) Dec	2,160	4.1
Retail Sales (seasonally adjusted) Nov	2,724	-3.0
CONSUMER PRICE INDEX		
(all items - 1992=100)	Jan '99	% change on one year ago
BC	109.9	0.2
Canada	108.9	0.6
LABOUR FORCE (thousands)		
(seasonally adjusted)	Jan '99	% change on one year ago
Labour Force - BC	2,096	4.2
Employed - BC	1,926	5.7
Unemployed - BC	170	-10.8
		Jan '98
Unemployment Rate - BC *(percent)*	8.1	9.5
Unemployment Rate - Canada *(percent)*	7.8	8.8
INTEREST RATES (percent)	Feb 10/99	Feb 18/98
Prime Business Rate	6.75	6.50
Conventional Mortgages - 1 year	6.40	6.40
- 5 year	6.90	6.85
US/CANADA EXCHANGE RATE	Feb 10/99	Feb 18/98
(avg. noon spot rate) Cdn $	1.4935	1.4348
US $ *(reciprocal of above rate)*	0.6696	0.6970
AVERAGE WEEKLY EARNINGS		
(industrial aggregate - dollars)	Nov '98	% change on one year ago
BC	622.69	1.8
Canada	606.40	1.1

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Earnings } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

New on our site . . .

We've just made it easier to preview the subscriber area of our Internet site. Go to:

www.bcstats.gov.bc.ca

and check out the new box on the right side of our home page screen.

You can preview an older issue of the various items to be found in our subscribers only directory. Some of the items include only the cover or a sample section of the actual report. We will try to complete this work as time permits. For now, we hope it's enough to get you motivated to subscribe today!

Revision

The October 1 population number for BC in ***BC at a glance*** . . . reflects revisions going back to Oct 1996 provided by Statistics Canada this week. The changes are reflected in **Municipal and Regional District Population** figures published on our site.

Bank Series

The interest and exchange rates in ***BC at a glance*** . . . are not updated for the current week in this year.

Released this week by BC STATS

- Consumer Price Index, January 1999

Next week

- Immigration Highlights, 1998 Annual
- Business Indicators, February 1999
- Current Statistics, February 1999
- Quarterly Regional Statistics, 4th Quarter 1998

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